

**Disaster Recovery Initiative
U.S. Department of Housing and Urban Development (HUD)**

Public Law 109-234

*The Emergency Supplemental Appropriations Act for Defense, the Global War on
Terror, and Hurricane Recovery*

**Louisiana Office of Community Development,
Division of Administration**

Louisiana Recovery Authority

***Proposed Action Plan Amendment 1*
for the Use of Disaster Recovery Funds Allocated by
P.L. 109-234
December 29th, 2006**



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Governor**

**Mitch Landrieu
Lieutenant Governor**

**Jerry Luke LeBlanc
Commissioner of Administration**

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1. State Building Infrastructure Program

Eligible Activity: Waiver – Federal Register 6/14/2006

National Objective: Benefit of Low and Moderate income persons, or elimination of slums and blight, or urgent need.

Activity Amount: \$135 Million

State buildings and other properties suffered over \$1.5 billion in damages due to Hurricanes Katrina and Rita. While the repair costs for much of this damage are eligible for FEMA Public Assistance, many costs that resulted from the storms are not eligible. These include, but are not limited to: uninsured and underinsured damages; insurance deductibles and improvements for code compliance; as well as repairs that were made necessary by storm damage but not eligible for FEMA Public Assistance.

The State wishes to amend the State Building Infrastructure Program as described in the original Action Plan for Disaster Recovery, to include FEMA-ineligible repair costs as an eligible expenditure under that program. The State wishes to add \$135 million to this program to cover the additional costs of this expansion of eligibility, to the original allocation of \$142.5 million increasing the total program budget to \$277.5 million.

In order to be eligible for funding under this program, projects must:

1. be the result of damage caused by Hurricane Katrina or Hurricane Rita ;
2. be consistent with the prioritizing decision tree described in the initial Action Plan;

As stated in the initial action plan, each project funded will meet one of the three national objectives, with emphasis on meeting the primary national objective of benefit to low and moderate income persons. Until applications are received and service areas and beneficiaries are known, the specific national objective cannot be determined with precision.

This activity is considered to be a low risk activity. Monitoring will be performed by the Office of Community Development staff in accordance with the original State Building Infrastructure Program and the monitoring plan as described in the original Action Plan.

2. Medical Center of Louisiana – New Orleans

Eligible Activity: Section 105 (a) (5)

National Objective: Benefit to Low and Moderate Income Persons

Activity Amount: \$74,000,000

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The impact of Hurricane Katrina on the delivery of health care was concentrated in the Greater New Orleans area, creating extreme and immediate infrastructure shortages related to long term care, mental health, trauma and ambulatory care.

Hurricane Katrina destroyed the Medical Center of Louisiana – New Orleans (MCLNO), the primary public hospital and home to the only Level 1 trauma center in the New Orleans region. FEMA Public Assistance and state building insurance will cover only a portion of the replacement costs of MCLNO.

The new MCLNO is necessary to serve as the home to three critical services provided by Louisiana State University, including:

- (1) *Health Professions Education*, including operation of the medical school and graduate medical education programs, school of allied health and nursing, which will be vital to addressing the workforce shortages that are proving to be the leading barrier to the recovery and improvement of health care delivery in all parts of Louisiana, urban and rural.
- (2) *Biomedical Health Sciences Research and Development*, an emerging research alliance and economic sector for which LSU serves, along with Tulane and Xavier Universities, as the foundation; and
- (3) *Health Care Delivery*, which will continue to be provided to residents of diverse means across the entire community by the LSU Health Care Services Division through new centers of excellence in MCLNO and an expanded network of primary care facilities throughout the region, in accordance with the recommendations of the Louisiana Health Care Redesign Collaborative.

LSU is engaged in a joint planning process with the Veterans Administration to share services between MCLNO and the new VA medical center to reduce the costs and improve administrative efficiencies associated with operating the hospitals, and the VA has begun its facility planning process and requires that the MCLNO design and planning process proceed on a parallel timeline in order to guarantee the planned facility partnerships.

The State wishes to amend the State Building Infrastructure Program in the original Action Plan, to allocate \$74,000,000 for the purposes of land acquisition and architecture and engineering design work for the new Medical Center of Louisiana – New Orleans, in order to promote the parallel design and construction of, and sharing of services between, MCLNO and the planned Veterans Administration medical center.

As stated in the initial action plan, each project funded will meet one of the three national objectives. Until applications are received and service areas and beneficiaries are known, the specific national objective cannot be determined. However, this activity is expected to qualify as benefit to low and moderate income persons.

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This activity is considered to be a low risk activity. Monitoring will be performed by the Office of Community Development staff in accordance with the original State Building Infrastructure Program.